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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EQUAL EMPLOYMENT	:
OPPORTUNITY COMMISSION,	:
 Plaintiff,	
v.	
 STANDARD & POOR'S, a division of	
THE MCGRAW-HILL COMPANIES, INC.	
 Defendant.	

CONSENT DECREE

CIVIL ACTION NO.

04 CV 6098 (SM)

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #: _____
DATE FILED: <u>8/24/04</u>

The parties to this Consent Decree are the Equal Employment Opportunity Commission (hereinafter "the EEOC"), an agency of the United States Government, and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (hereinafter "Standard & Poor's"), incorporated in the State of New York and doing business in New York.

The EEOC brought this action on August 6, 2004 pursuant to Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e *et seq.* ("Title VII"), Sections 703(a)(1), 703(a)(2), and 706(f)(1). The EEOC alleged that Standard & Poor's discriminated and retaliated against "Jane Doe" (a pseudonym to protect anonymity - hereinafter "Ms. Doe") through the actions of its manager Matthew Berloff, who is alleged to have engaged in sexual harassment of Ms. Doe.

The EEOC and Standard & Poor's (hereinafter "the Parties") desire to compromise and settle the differences embodied in this action, and intend that the terms and conditions of the settlement be set forth in this Consent Decree. The Parties agree that it is in their mutual interest

to resolve this matter fully without the costs, uncertainty, expense and delay of litigation.

The Parties therefore do hereby stipulate and consent to the entry of this Decree as final and binding between Standard & Poor's and the EEOC, who are the signatories hereto, and their future successors or assigns. This Decree resolves all matters related to Civil Action No. 04-
04CV6098, filed in the United States District Court for the Southern District of New York.

The Parties have agreed that this Decree is being entered into without Findings of Fact and Conclusions of Law having been made and entered by the Court. The Parties agree that this Consent Decree constitutes the complete agreement between the EEOC and Standard & Poor's.

In consideration of the mutual promises and agreements set forth by each Party to this Decree, the sufficiency of which is hereby acknowledged, the Parties agree as follows, the Court finds appropriate, and it is therefore ORDERED, ADJUDGED AND DECREED that:

INTRODUCTORY PARAGRAPHS

1. This Consent Decree resolves all issues raised in EEOC Charge Number 160-A3-00107 and in the Complaint filed by the EEOC in this matter. The EEOC does not waive processing or litigating claims other than those set forth against Standard & Poor's in the preceding sentence of this Consent Decree.
2. The Parties agree and the Court finds that this Court has jurisdiction of the subject matter and of the Parties to this action, that venue is proper, and that all administrative prerequisites have been met. No Party shall contest the validity of this Decree, or the jurisdiction of the federal district court to enforce this Decree and its terms.
3. This Decree is being issued with the consent of the Parties and does not constitute an

adjudication or finding by this Court on the merits of the allegations of the Complaint.

Neither this Consent Decree nor the furnishing of any consideration through this Consent Decree shall be deemed or construed at any time for any purpose as an admission by Standard & Poor's of any liability or unlawful conduct of any kind.

AGREEMENT NOT TO DISCRIMINATE

4. Standard & Poor's and its managers, officers, agents, successors, and assigns, agree that they will not discriminate against any individual because of the individual's sex, subject an employee to differential treatment regarding the terms and conditions of employment because of the individual's sex, engage in sexual harassment toward any employee, or engage in retaliation against any individual for asserting her or his rights under Title VII.

NOTICE AND POSTING; WRITTEN POLICY

5. No later than five (5) days after receiving notice of the Court's entry of this Consent Decree, Sara McAuley, Vice President, Human Resources, Standard & Poor's will send a letter to all Standard & Poor's employees at 55 Water Street, New York in the form attached hereto as Exhibit A.
6. Standard & Poor's shall review the policies, procedures, and alternative mechanisms it has in place for disseminating, dealing with, and preventing discriminatory and harassing conduct, and shall promulgate policies as reflected in Exhibit B no later than ten (10) days after the entry of this decree. Such policies and procedures shall be modified to: (a) encourage employees to bring forward claims of discrimination or harassment; (b) assure

that there will be no retaliation for raising such complaints; and (c) state that it is Standard & Poor's desire to create an environment free of harassment and discrimination for its employees. The policy contained in Exhibit B shall be disseminated within six (6) months of the entry of this Decree to all of Standard & Poor's employees through its company intranet, and shall be maintained and included in any relevant policy or employee manuals maintained in Standard & Poor's course of business.

SUPERVISOR ACCOUNTABILITY

7. Standard & Poor's agrees that it shall require its supervisors and managers, as part of their responsibilities, to monitor their work areas and report any actual or perceived incidents of harassment of which they become aware. Standard & Poor's agrees that it shall advise all managers and supervisors of their duty to actively monitor their work areas to ensure employee compliance with the company's harassment policy, and to report any incidents and/or complaints of sexual harassment of which they become aware to their next level of management, to the Human Resources department, or the Legal Department. Supervisors' and Managers' compliance with this part of their job duties will be evaluated as part of the Supervisors' and Managers' annual performance evaluation.
8. Standard & Poor's shall communicate its policies to all new supervisors and managers at the time each individual is hired as, or promoted for the first time to, a position as supervisor or manager.
9. Within thirty (30) days of the entry of this Consent Decree, Standard and Poor's will

implement a procedure to obtain from every Standard and Poor's supervisor in the United States an acknowledgment of receipt and comprehension concerning Standard and Poor's policy on sexual harassment.

SEXUAL HARASSMENT TRAINING

10. Standard & Poor's will provide sexual harassment training for all employees located at 55 Water Street, New York, NY. Standard & Poor's will provide such training in the following manner: (a) within sixty (60) days of entry of this Consent Decree such training will be provided for all employees in the Information Technology Department servicing Standard & Poor's in a two-hour live training session and repeated as online training in 2005 and 2006; (b) within six (6) months such training will be provided to all supervisors and managers working at 55 Water Street, New York, NY in a two-hour live training session and repeated as online training in 2005 and 2006; and (c) within sixty (60) days such training will be provided online for the remaining employees working at 55 Water Street, New York, NY.
11. The training and syllabus for the proposed training referenced in Section 10(a)-(c) above shall be developed and presented by Seyfarth Shaw At Work. The training will include examples of the types of behavior and remarks that will not be tolerated in Standard & Poor's business locations, including examples referencing heterosexual, homosexual, bisexual, and transgender employees. The training will further inform each participant that he or she is responsible for knowing and complying with the contents of Standard & Poor's EEO and harassment policies and procedures. All participants shall be given a

questionnaire through which they will be asked to critique the training and to provide suggestions to improve future training.

12. Standard & Poor's will provide additional training for all Standard & Poor's Human Resources Staff Managers on appropriate techniques for documenting and investigating complaints of harassment.
13. The cost of the training mandated by this Decree shall be borne by Standard & Poor's.
14. Standard & Poor's will retain records of the training programs, lists documenting the dates on which the training was held and identifying the persons who attended and those who did not attend, and copies of any materials distributed during the training.

COMPENSATORY RELIEF

15. Standard & Poor's has terminated Matthew Beriloff. Standard & Poor's agrees not to rehire Mr. Beriloff in any capacity, at any time. Standard & Poor's further agrees that any reference given regarding Mr. Beriloff's employment with Standard & Poor's will be given by a Human Resources representative, and will include only date of hire, date employment ceased, last position held, and, if Mr. Beriloff authorizes, last salary.
16. In settlement of this dispute, Standard & Poor's shall pay three hundred thousand dollars and no cents (\$300,000.00) in compensatory damages as compensation for Ms. Doe's alleged claims arising out of EEOC Charge Number 160-A3-00107. The monetary relief shall be distributed as described in the following paragraphs.
17. Standard & Poor's shall pay two hundred seventy five thousand dollars and no cents (\$275,000.00) in compensatory damages to Ms. Doe. Standard & Poor's shall make such

payment no later than ten (10) business days from the date of the Court's entry of this Consent Decree by electronically wiring this payment to an account to be designated by Ms. Doe or her counsel and by sending the appropriate IRS 1099 form at the appropriate time.

18. Standard & Poor's shall pay twenty five thousand dollars and no cents (\$25,000.00) to The Lesbian, Gay, Bisexual, and Transgender Community Center, a not for profit organization located in New York City, New York. Standard & Poor's shall make such payment no later than thirty (30) business days from the date of the Court's entry of this Consent Decree by sending a check directly to the organization.
19. Standard & Poor's will mail copies confirming delivery of the payments in the amount set forth above to the EEOC, c/o Michele Le Moal-Gray, Trial Attorney, 33 Whitehall Street, 5th Floor, New York, NY 10004-2112.

REPORTING

20. Standard & Poor's agrees that there shall be no retaliation against Ms. Doe for filing EEOC Charge of Discrimination No.160-A3-00107 or for her filing of her internal complaint. Ms. Doe makes no claim that any discriminatory conduct or retaliation has occurred, other than that contained in EEOC Charge of Discrimination No.160-A3-00107, as of the date of the execution of this Consent Decree. If Ms. Doe believes that she is being discriminated or retaliated against in the future, she can use any avenue to report such claim available to all employees and, in addition, she can report such claim to Joyce Hunsucker, Standard and Poor's Director of Human Resources.

21. Six months after entry of this Consent Decree and again annually thereafter for the duration of this Consent Decree, Standard and Poor's will submit reports to the EEOC summarizing any complaints of sexual harassment received during the preceding six-month (annual) period concerning employees at its 55 Water Street, New York, New York location. The reports will include a summary of action taken in response to the complaint, and the resolution of any such complaint. Standard and Poor's will attach copies of all corresponding written records. The report will not identify any person by name.

MONITORING THE CONSENT DECREE

22. The EEOC has the right to monitor and review compliance with this Consent Decree, including but not limited to inspection of records, interviewing witnesses and other employees, and compliance with this Consent Decree. Accordingly, on or within one year from the date the Court enters this Consent Decree, Standard & Poor's shall submit written proof via affidavit to the EEOC that it has complied with the requirements set forth in paragraphs four through twenty (¶¶ 4-20) of this Consent Decree. Annually, within thirty (30) days of completion of the training, Standard & Poor's will provide an affidavit certifying the completion of the training program and will make available for EEOC inspection copies of the records, training materials, and completed post-training questionnaires.
23. Nothing in this Consent Decree shall be construed to preclude the EEOC from bringing proceedings to enforce paragraphs five through twenty (¶¶ 5-20) of this Consent Decree

in the event that Standard & Poor's fails to perform the promises and representations contained herein.

COSTS AND FEES

24. The parties agree to pay their own costs and attorneys fees associated with this action.

DURATION

25. This Decree will remain in effect until three (3) years from date of the Court's execution of this Consent Decree.

COMPLETE AGREEMENT

26. The Parties agree that this Consent Decree constitutes the complete agreement between the EEOC and Standard & Poor's. No waiver, modification or amendment of any paragraph or provision of this Consent Decree shall be effective unless made in writing, approved by all Parties to this Consent Decree, and approved or ordered by the Court.

SO ORDERED, ADJUDGED AND DECREED.

Signed this 19 day of August, 2004

Constance Baker Motley

U.S. DISTRICT COURT JUDGE
SOUTHERN DISTRICT OF NEW YORK

APPROVED IN FORM AND CONTENT:

By Plaintiff, EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION:

Katherine E. Bissell
KATHERINE E. BISSELL (KB1831)
Regional Attorney

Elizabeth Grossman (EG 2478)
Supervisory Trial Attorney

Michele J. Le Moal-Gray
Trial Attorney (ML 8541)
EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
New York District Office
33 Whitehall St., 5th floor
New York, NY 10004-2112
(212) 336-3700

On Behalf of Defendant,
STANDARD & POOR'S

Gregory I. Rasin
GREGORY I. RASIN (GR 7813)
JACKSON LEWIS LLP
59 Maiden Lane
New York, New York 10038-4502
(212) 545-4016

ATTORNEYS FOR DEFENDANT

EXHIBIT A

To: All Standard & Poor's U.S. Employees S&P
From: Sara McAuley, Vice President, Human Resources
Subject: The McGraw-Hill Companies Policy on Sexual Harassment

At Standard & Poor's and throughout The McGraw-Hill Companies we are dedicated to creating a workplace that respects and values all people, and ensuring that the workplace is free of discrimination, harassment and retaliation. It is our policy to prohibit the sexual harassment of any employee by another employee or visitor.

We recently became aware of an incident involving an alleged violation of our policy concerning sexual harassment. We are working with the U.S. Equal Employment Opportunity Commission (E.E.O.C.) to resolve the matter. To this end we have agreed to a Consent Decree filed in federal court in New York City.

Federal and state law, including Title VII, as well as our own policy and philosophy are designed to ensure our employees an environment free from intimidation, ridicule or insult based on any factor, including sex. We want to ensure that in our workplace, no employee or visitor harasses another individual. Prohibited behaviors include unwelcome sexual advances, requests for sexual favors and other unwelcome verbal, physical, written or electronic communications of a sexual nature, or any other such conduct that interferes with an employee's work performance, or creates an intimidating, hostile or offensive work environment.

An employee who feels that he or she has been subjected to sexual harassment is strongly encouraged and expected to report the matter immediately. An employee can report such conduct to his or her manager, the next higher level of management, his or her local Human Resources Representative, the Corporate Human Resources Department or the Corporate Legal Department. He or she also may utilize the FAIR Program as well as the Employee Hotline (1-888-722-3277), or report such conduct to the Equal Employment Opportunity Commission. Further, federal law and Standard & Poor's policy prohibits any retaliation against any individual because the individual formally or informally complains of discrimination or harassment, cooperates with the investigation of a complaint of discrimination or harassment, or otherwise exercises his or her rights under the law.

I encourage all of our employees to review the sexual harassment policy of The McGraw-Hill Companies, which can be found on the corporate intranet.

Standard & Poor's has earned a global reputation for the highest standards of excellence, quality and reliability in all of our products and services, and for decency, respect, honesty and fairness in dealing with all of our constituents. We enjoy this well-deserved reputation because of your continuing commitment to the highest ethical standards.

**EMPLOYEE RESOURCE GUIDE
TO WORKING AT THE McGRAW-HILL COMPANIES**

EXHIBIT B

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Commitment to Diversity and Equal Employment Opportunity

DIVERSITY

The McGraw-Hill Companies has a policy of encouraging diversity in the workforce. Employee Diversity maximizes the talent pool of the corporation and is an important component of the management of the workforce of The McGraw-Hill Companies. Employees as well as customers benefit from the corporation's policy on diversity because employees work in a dynamic environment where many different views are considered and respected. The McGraw-Hill Companies serves the information needs of widely different countries, markets, and customers around the world, as expressed in the motto--"Diverse Customers, Diverse Needs, Diverse Solutions" and is committed to cultivating a diverse workforce that represents many backgrounds.

EQUAL EMPLOYMENT OPPORTUNITY

The McGraw-Hill Companies is committed to the principles of equal employment opportunity for all employees and applicants for employment. Advancement opportunities and employment decisions will be made without regard to race, religion, gender, ethnicity, creed, color, citizenship status, sexual orientation, age, disability, marital status, national origin, veteran status, or any other characteristic protected under federal, state, or local law.

Furthermore, when filling open positions, managers are expected to seek out a diverse pool of candidates for consideration. Towards this end, the company develops annual Affirmative Action programs as required by its federal contractor status. Management plays an active role in demonstrating the corporation's commitment by providing equal employment opportunities at all levels of employment. For advice or assistance in meeting this obligation, managers are encouraged to consult with their Human Resources representative.

EQUAL EMPLOYMENT OPPORTUNITY APPLIES TO EVERY PHASE OF THE EMPLOYMENT PROCESS

To advance the principles of equal employment opportunity, the corporation also extends this policy to every phase of the employment process including, but not limited to, recruitment, selection, placement, transfer, training and development, promotion, compensation, benefits, layoffs, termination, and all other conditions or privileges of employment. Each and every employee is expected to abide by and promote this policy of equal employment opportunity within the organization, as well as with those who have a business relationship with The McGraw-Hill Companies.

JOB ACCOMMODATIONS

The McGraw-Hill Companies will, in accordance with the Americans with Disabilities Act and other applicable law, make reasonable accommodations for employees with disabilities who are otherwise qualified to do the job to enable them to perform the essential functions of their job. An employee who believes he/she needs a job accommodation may request one by contacting his/her manager or Human Resources representative.

EQUAL EMPLOYMENT OPPORTUNITY REQUIRES THE PARTICIPATION OF ALL EMPLOYEES

While overall authority for implementing an Equal Employment Opportunity policy is assigned to the executive vice president of Organizational Effectiveness, an effective equal employment opportunity program cannot be achieved without the support of all employees. Any employee who feels he/she has been denied equal opportunity or subjected to discrimination should bring the problem forward. The corporation's Employee Concern Resolution Resources (pages 23-25) provide a number of ways for your concerns to be addressed.

~~THE MCGRAW-HILL COMPANIES~~

TO WORKING AT THE MCGRAW-HILL COMPANIES

SEXUAL HARASSMENT POLICY

It is The McGraw-Hill Companies' policy to prohibit sexual harassment of any employee by another employee or visitor. The purpose of this policy is not to regulate personal morality within The McGraw-Hill Companies. It is to ensure that, in the workplace, no employee or visitor harasses another individual on the basis of sex. Prohibited behaviors include unwelcome sexual advances, requests for sexual favors and other unwelcome verbal, physical, written or electronic communications of a sexual nature.

Depending upon the circumstances, harassment can also include unwelcome joking, teasing, the access and distribution of electronic content, or other conduct directed toward a person because of his or her gender, which is sufficiently severe or pervasive as to create a hostile work environment.

Further, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct constitutes sexual harassment when:

- submission to such conduct is made either explicitly a term or condition of an individual's employment,

- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals, or
- such conduct has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

An employee who feels that he or she has been subjected to sexual harassment should immediately report the matter to his or her manager, the next higher level of management, his or her local Human Resources Representative, the Corporate Human Resources Department, or he or she may utilize the FAIR Program as well as the Employee Hotline.

Every report of perceived harassment will be investigated and corrective action will be taken where appropriate. Violation of this policy will result in disciplinary action, up to and including termination of the offender's employment. In addition, The McGraw-Hill Companies prohibits any form of retaliation against individuals who report unwelcome conduct to management, or who cooperate in the investigation of such reports in accordance with this policy.

TO WORKING AT THE McGRAW-HILL COMPANIES

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Resolving Issues and Disputes

This section describes:

- Open Door Policy (page 23)
- The Manager's Role in Encouraging Discussion of Issues (page 23)
- FAIR (Fast And Impartial Resolution) (page 25)
- The McGraw-Hill Companies Employee Hotline (page 24)
- Personnel File (page 24)
- Sexual Harassment Policy (page 25)

OPEN DOOR POLICY

The McGraw-Hill Companies has an Open Door Policy regarding issues or disputes in the workplace. This policy encourages employees to bring their questions, suggestions, and complaints to management's attention. This means that when a problem develops, employees can and should bring the issue forward, without fear of retaliation. This policy is grounded in the belief that unresolved issues can distract staff and disrupt morale. Bringing disputes to closure enables the work group and the individual employee to move forward, to everyone's benefit.

The right person to approach when expressing such a concern is that person in management with whom the employee feels most comfortable. It could be the employee's manager, the next higher level of management, or the Human Resources Department. Whenever possible, this informal method should be used, with the goal being an equitable resolution of the issue at hand.

In most cases, the Open Door Policy leads to a resolution. However, if an employee does not get a satisfactory response, he or she may utilize the FAIR Program.

THE MANAGER'S ROLE IN ENCOURAGING DISCUSSION OF ISSUES

Problems and disputes are bound to occur in the workplace from time to time. They should be faced honestly and openly. And they should be dealt with fairly.

Managers should inform employees that under the corporation's Open Door Policy, employees can broach problems without fear of retaliation. Managers have the responsibility to encourage employees to bring issues forward to staff the employee believes is most appropriate--whether it be the employee's manager, the next higher level of management, or the Human Resources staff. The first step toward resolving a problem is presenting it to an individual who will listen objectively and non-judgmentally.

To find out about ways to foster open communications, managers should consult the Professional Development Center Intranet site, which provides information on relevant resources and programs.

When a problem or dispute comes to a manager's attention, it is advised that managers consult with the Human Resources representative or with those higher up in their organization.

FAIR (FAST AND IMPARTIAL RESOLUTION)

This section describes the FAIR Program, a mechanism for outside resolution of issues and disputes in the workplace.

The FAIR Program was established to handle problems and disputes not resolved through the Open Door Policy. FAIR stands for Fast And Impartial Resolution. FAIR is administered by an independent, outside mediation and arbitration firm, JAMS/Endispute.

Employees interested in resolving a complaint through FAIR may contact their Human

HUMAN RESOURCES GUIDE TO WORKING AT THE McGRAW-HILL COMPANIES

Resolving Issues and Disputes

Resources representative or JAMS/Endispute directly at 1-800-942-5889 to obtain a complete brochure describing the program, forms for initiating the program, or to answer any questions about the program. Confidentiality will be maintained, to the extent practicable, during the FAIR process. There are three steps which may be used to resolve a dispute through the FAIR Program: the first is through an investigation, the second is through mediation. If neither of these steps resolves the issue to the employee's satisfaction, the third step—arbitration—may be invoked. A brief summary of the program is below.

Investigation

The employee is asked to write down the complaint and submit it to the next level of management (if the employee has already tried to work out the problem with the employee's manager) or with his/her Human Resources representative. Once a complaint is submitted, The McGraw-Hill Companies is required to conduct a prompt investigation of the issue and provide a written response to the employee.

Mediation

If the employee is not satisfied with the response to his/her complaint, he/she may select one of the JAMS/Endispute mediators to meet with the parties to attempt to achieve a mutually acceptable resolution to the dispute.

Arbitration

Employees not satisfied with mediation may submit their complaints to arbitration before a JAMS/Endispute arbitrator who will hear the dispute and issue a ruling that is legally binding on both parties.

The JAMS/Endispute mediators and arbitrators generally are former judges or professional arbitrators who hear cases from unions, companies, professional/trade associations, and individuals throughout the United States.

THE McGRAW-HILL COMPANIES EMPLOYEE HOTLINE

This hotline is another resource that provides staff members with a means to confidentially report such issues as violations of corporate policy, workplace concerns, violations of the law and related matters.

Trained professionals from an outside service provider operate our hotline 24 hours a day, seven days a week. The hotline is accessible to all employees worldwide and can handle calls in the languages spoken by all our staff members. Reports on all employee calls will be directed to Harold McGraw III, the corporation's chairman, president and CEO, on a strictly confidential basis. Appropriate follow-up procedures will be carried out with every call.

To speak to someone confidentially about a workplace concern, call The McGraw-Hill Companies Employee Hotline at 1-888-722-3277.

PERSONNEL FILE

The "Personnel File" is that file established on each employee and maintained by the Human Resource Department. Information is maintained on a strictly confidential basis and is available only on a need-to-know basis.

Every employee has the right to examine information contained in his/her Personnel File. Such examination can be made at a mutually convenient time in the presence of a staff member of the Human Resources Department or the local manager responsible for Human Resources administration. Requests by an employee to review information in his/her Personnel File should be made, in writing, to the Human Resources Department. Employees may take notes, but may not photocopy any portion of their Personnel File. The McGraw-Hill Companies will conform to applicable state or local laws which may require procedures different from these policies.

Human Resources To Working at The McGraw-Hill Companies

Resolving Issues and Disputes

SEXUAL HARASSMENT POLICY

It is The McGraw-Hill Companies' policy to prohibit sexual harassment of any employee by another employee or visitor. The purpose of this policy is not to regulate personal morality within The McGraw-Hill Companies. It is to ensure that, in the workplace, no employee or visitor harasses another individual on the basis of sex. Prohibited behaviors include unwelcome sexual advances, requests for sexual favors and other unwelcome verbal, physical, written or electronic communications of a sexual nature.

Depending upon the circumstances, harassment can also include unwelcome joking, teasing, the access and distribution of electronic content, or other conduct directed toward a person because of his or her gender, which is sufficiently severe or pervasive as to create a hostile work environment.

Further, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct constitutes sexual harassment when:

- submission to such conduct is made either explicitly a term or condition of an individual's employment,

- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals, or
- such conduct has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

An employee who feels that he or she has been subjected to sexual harassment should immediately report the matter to his or her manager, the next higher level of management, his or her local Human Resources Representative, the Corporate Human Resources Department, or he or she may utilize the FAIR Program as well as the Employee Hotline.

Every report of perceived harassment will be investigated and corrective action will be taken where appropriate. Violation of this policy will result in disciplinary action, up to and including termination of the offender's employment. In addition, The McGraw-Hill Companies prohibits any form of retaliation against individuals who report unwelcome conduct to management, or who cooperate in the investigation of such reports in accordance with this policy.

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Work Environment

"Work environment" encompasses everything from the physical space in which employees work, to the corporation's business objectives, its core values and business ethics, and the atmosphere of open communication fostered by managers throughout The McGraw-Hill Companies. It includes the diversity of our workforce, and it includes programs established to assist employees in ways that can help them work more productively and with a greater sense of fulfillment. In fact, "work environment" is everything that contributes to the culture of the organization.

Aspects of the work environment are discussed throughout this Human Resources Guide. This section focuses on the importance of two-way communication between managers and employees. Other sections directly relevant to Work Environment cover specialized topics:

- Diversity in the Workplace (page 58)
- Safety (page 59)
- A Smoke-free Workplace (page 59)
- Workplace Violence (page 59)
- A Drug-free and Alcohol-free Workplace (page 59)
- Business Appropriate Dress Policy (page 61)
- Employee Satisfactions (page 62)

Two-way Communication Between Managers and Employees

The McGraw Hill Companies wants to foster a work environment that enables employees at all levels within the organization, to make their maximum contribution. That kind of environment requires many elements, including: equitable performance rewards (such as merit increases and bonus payments); the accommodation, where possible, of individual needs (such as flexible work hours); opportunities for employee development; maintenance and appropriate upgrading of physical work spaces;

and a sense of mutual respect among employees. Certainly managers play a large role in each of these areas, but employees also share a responsibility.

Employees are encouraged to discuss with their manager (or, if appropriate, with a manager higher up in the organization or with their Human Resources representative) any ideas or suggestions they have for improving their individual job performance or the performance of their group. Similarly, if there are aspects of the work environment that seem to have a negative effect on individual or group performance, employees are encouraged to bring these issues to the attention of management. It is important that the channels of communication always be open, and that managers and employees have a continual dialogue about ways to make the day-to-day environment better for all.

DIVERSITY IN THE WORKPLACE

The McGraw-Hill Companies has a policy of encouraging diversity in the workforce. Employee Diversity maximizes the talent pool of the corporation and is an important component of the management of the workforce of The McGraw-Hill Companies. Employees as well as customers benefit from the corporation's policy on diversity because employees work in a dynamic environment where many different views are considered and respected. The McGraw-Hill Companies serves the information needs of widely different countries, markets, and customers around the world, as expressed in the motto—"Diverse Customers, Diverse Needs, Diverse Solutions" and is committed to cultivating a diverse workforce that represents many backgrounds.

A full description of the corporation's commitment in this area can be found in "Commitment to Diversity and Equal Employment Opportunity".

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

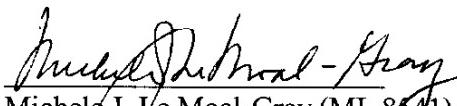
----- X
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, :
Plaintiff, :
v. :
STANDARD & POOR'S, a division of THE MCGRAW-HILL COMPANIES, INC. :
Defendant. :
----- X

CIVIL ACTION NO.
04 CV 6098

Certificate of Service

I hereby certify that a true and correct copy of the Consent Decree between the EEOC and Standard & Poor's, dated August 6, 2004 was served by U.S. Mail this 6th day of August, 2004 to :

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